

**DOWNTOWN INDUSTRIAL DISTRICT
BUSINESS IMPROVEMENT DISTRICT
BOARD OF DIRECTORS MEETING
OCTOBER 25, 2011
MINUTES**

BOARD MEMBERS

Present: Ernie Doizaki, Larry Rauch, Michael Tansey, and Paul Vert.

Absent: Richard Gardner, Don Kanner, Howard Klein, Matt Klein, Richard Meruelo, Bill Shinbane, and Mark Shinbane.

STAFF: Herlinda Chico, Steve Keyser, Raquel King, and Estela Lopez.

CONSULTANTS: Ken Coelho and Don Steier.

GUESTS: LAPD Senior Lead Officer Mark Hyland

I. CALL TO ORDER

Vert called the meeting to order with a quorum at 11:29am.

II. APPROVAL OF MINUTES

Rauch made a motion to approve the July 19, 2011 minutes, and Doizaki seconded. The Board unanimously approved.

III. PUBLIC COMMENT PERIOD ON NON-AGENDA ITEMS

Little Tokyo Galleria:

Jay Chun, property manager for Kaufman Commercial Group, which manages the Little Tokyo Galleria presented renderings for the new bowling alley at the Galleria. Chun informed the Board that the alley will mimic the Dave & Busters model as a family fun center. The area space is 43,700 sq ft. The parking structure has 600 spaces and there is an additional lot on 4th Street.

Doizaki asked if the bowling alley would accommodate leagues, and Chun answered yes.

Doizaki then stated that there is such a Korean focus in the Galleria, and it needs a broader audience base including American style foods. Chun stated that although the Galleria is in a Japanese community, the goal is to create an international atmosphere including American foods.

Chun informed the Board that both the Little Tokyo Council and the Arts District BID provided letters of support for the project. Chun asked the Board to also support this project. The Board unanimously approved supporting this project.

County Assessor's Office:

Dale Hammond of the Assessor's Office introduced himself and informed the Board that he was there to learn and understand what's going on in their neighborhood.

IV. FINANCE

Coelho reported that in September the BID received \$113,000 of assessment revenue. Approx. \$159,000 in assessment receivables was due as of Sept. 30, 2011. The BID has budgeted \$94,000 for delinquent assessments; another \$65,000 is budgeted to be received before year-end. Coelho reported that the BID ended the month of September with just under \$344,000 in the bank.

Coelho reported that expenses were \$22,000 less than budgeted. Five weeks of security services were paid. Coelho informed the Board that the actual expenses were adjusted for the legal fees paid relating to the Skid Row Walk incidents. These expenses were transferred to one time costs using prior BID funds.

Coelho stated that on a go forward basis the BID is projected to be at a negative \$65,000. However, that includes the \$50,000 reserve which means cash is actually projecting to be \$15,000

negative at year end. This amount will be replenished with the initial deposit of 2012 assessment revenues which will include 2011 delinquencies.

2012 Budget:

Coelho reported that the Finance Committee met and agreed to increase the assessment rate by 3%. The allocations are: 10% administration, 24% maintenance, 48% security, 10% ED&C (increase by 2%), 6% contingency and 2% City fees.

Coelho informed the Board that one time fees will be used for tree trimming. Staff will monitor the growth of the trees to determine if tree trimmings needs to be done annually. The staff at the Check In Center will be increased by one part-time person. The reserve will decrease from \$50,000 to \$20,000. A legislative person (outside consultant) will be added in ED&C. The shared expenses percentage will change between DID and Arts. The percentage was DID 61% and Arts 39%. In 2012, it will be DID 59% and Arts 41%.

Lopez stated that \$60,000 has been put aside for the legislative position; however, Tara Devine principal of Devine Strategies Consulting is already helping with legislative projects and is heading the CalTrans Planning Grant Study. Lopez stated that we could contract with Devine as needed for projects, and save between \$10,000 and \$12,000 annually for a high caliber legislative person.

Coelho informed the Board that health benefits decreased for administrative staff as a result of reallocation of categories. Coelho informed the Board that CCEA owes the LADWP \$7,000 for March 2011 to date. The bill averages \$1,000 per month.

Rauch made a motion to approve the 2012 budget, and Tansey seconded. The Board unanimously approved.

V. OPERATIONS

Keyser reported that the BID public safety officers handled 1,994 incidents in July; 1,951 in August; and 2,019 in September. Blocking the sidewalk accounted for 24% of the incidents during the quarter.

Keyser explained that the LAPD used penal code 4118D to ask people to not block the sidewalk; however, because of the situation with Occupy L.A., the police have not enforced 4118D. Keyser stated that LAPD Captain Todd Chamberlain instructed LAPD officers to continue asking the Occupy L.A. protestors to move along as usual until he hears different.

Keyser informed the Board that BID public safety officers are seeing more people in the area high on PCP. Keyser stated that people on this type of narcotic are extremely difficult and dangerous to deal with. Keyser stated that LAPD officers informed him that they are starting to see a trend with PCP use and incidents.

Keyser reported that the maintenance team collected 3,696 bags of trash; 22 instances of graffiti removed; 136 bulky items removed; and 38 areas were weeded.

LAPD Newton Area Report:

Senior Lead Officer Mark Hyland informed the Board that Newton has two new Captains, Rodriguez and Prokop.

Officer Hyland reported that in crime control weekly meetings, crime in reviewed and "A" cars are deployed according to the highest crime days/areas. Areas along Vernon and Central are a big problem for Newton Area; thus, extra patrols are sent to those areas.

Officer Hyland stated that there were 61 reported crimes last week, which is the lowest in 5 years. The number one problem in Newton Area is robbery. Just recently 9 robbery suspects were arrested. Officer Hyland stated that Newton is hosting

community meetings to encourage community members to hide their jewelry in a safe place at home. Officer Hyland stated that Facebook postings advertising jewelry parties have also been a problem. Thieves show up.

Officer Hyland stated that 70% of the robberies have been chain snatches. All other crimes are down. Officer Hyland thanked the BID public safety officers for their diligence and alertness, because as a result crime has been low in the immediate area.

Skid Row Walk:

Lopez reported that the same issues continue to occur with LACAN trying to impede on the walk. The September walk was cancelled because of bad weather and illness. Lopez stated that she has put in a request for Sen. De Leon, Paul Koretz, and USC to come on the walk.

Lopez stated that the City Attorney's office rejected filings due to free speech issues. In August the BID used the Union Rescue Mission's vans in efforts to get away from LACAN; however, LACAN members banged on the windows of the van.

Vert stated that the walk has become too violent, and believes that the time and dates need to change.

Steier reminded the Board that Lopez suffered an injury to her ear as a result of a LACAN member blowing a horn in her ear.

Rauch stated that an alternative method needs to be thought out and implemented. The goals of the walks are to educate people about the state of the area and the people who live on the streets in the area. However, with LACAN's violent behavior, employees and members of the public are being put at risk. Rauch suggested working with the Missions to come up with an alternative method.

Check In Center Update:

Lopez reported that she and Vert met with Martin Caverly to discuss the future of the CIC. Caverly was not aware that Meruelo Maddux owned the warehouse when the purchase took place. Since then, he has received a \$3 million offer to sell it, in which he has not yet accepted. Lopez stated that she, Vert and Caverly discussed a couple of alternatives including the use of another facility owned by Caverly's company. The other alternative is CCEA acquiring the warehouse with their help. There would be tax incentives for Caverly's company to donate the property to a non-profit.

VI. EXECUTIVE DIRECTOR'S REPORT

2012 Slate of Officers:

Lopez informed the Board that Vert will stay on the Board to represent Young's Market.

Nominations for the 2012 slate of officers were taken from the floor. The proposed 2012 slate of officers are: Rauch- Chair; M. Shinbane- Vice Chair; M. Klein- Treasurer; Doizaki- Secretary.

Vert made a motion to approve the 2012 Slate of Officers, and Tansey seconded. The Board unanimously approved.

Rauch made a motion to re-nominate and reconfirm the existing Board of Directors, with the exception of Richard Meruelo being removed, and Doizaki seconded. The Board unanimously approved.

Rauch thanked Vert for his good counsel and leadership.

VII. ADJOURNMENT- The meeting of the Board was adjourned at 12:58pm.